Intro to SCORE

MI Choice Waiver

Supports Coordination and Operations REimbursement

July 2009

Agenda

- Review the elements of the SCORE forecasting model
- Clarify the underlying philosophy behind the elements
- Address agency implications
- Answer questions

"Old" Calculation

Administrative Reimbursement = # x $

is the number of MI Choice participant days

$ is the rate per participant day
    ($7 or $8 plus $2)

Purpose

The SCORE calculation is redesigned in response to wide ranging criticism of the prior method. Among its many goals is to separate supports coordination reimbursement and make it more sensitive to the acuity of the population being served. It also recognizes the increased cost of doing certain administrative tasks well.

Preface

SCORE is a model designed to estimate or predict future values based upon known data or measurements. As with any such model, it is only as accurate as the information on which it is based. It forecasts based upon the experience of the MI Choice program as a whole and not on the unique anomalies of individual agencies.

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"Score" Calculation

SCORE =

Supports Coordination Amount
  + Operations Amount

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"Score" Calculation

SCORE =

(Base Level Funding x Tier Increase Factor) +
   (Acuity-based Amount x Adjustment Factors
   [Quality & Services & NFT])

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Operations Amount

Operations Amount =

   Base Level Funding x
            Tiered Increase Factor

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Operations Amount

Base Level Funding =

Minimum administrative funding established by distributions of historical reimbursement patterns at an 11% admin level.

FY 09 = $40,000

Operations Amount

Tier =

Tier	Agency Annual Services
1	>$8 million
2	$7 - $8 million
3	$6 - $7 million
4	$5 - $6 million
5	$4 - $5 million
6	<$4 million

Operations Amount

11% FY 08 Total Admin

Legend: ◆ 11% Admin
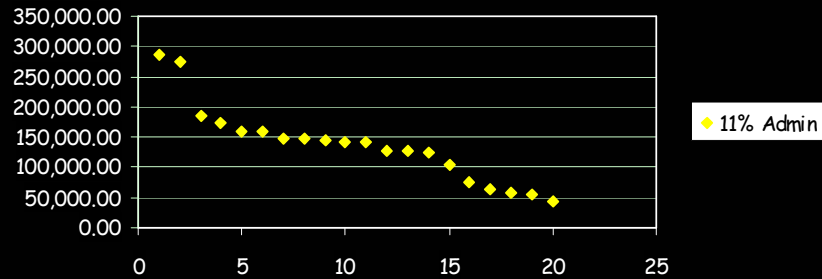
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2009 Operations Amounts

Tier =

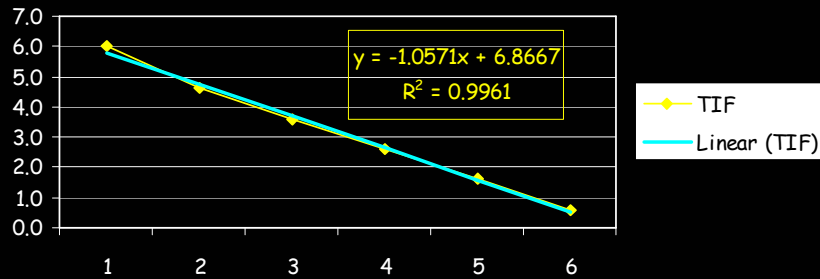| Tier	Base Increase Factor	Base Amount
1	700%	$280,000
2	560%	$224,000
3	460%	$184,000
4	360%	$144,000
5	260%	$104,000
6	160%	$64,000

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2009 Operations Amounts

Tier Increment Factors

$$y = -1.0571x + 6.8667$$
$$R^2 = 0.9961$$

Legend: TIF, Linear (TIF)

Supports Coordination Amount

- The initial supports coordination amount is determined by the number of member months in seven RUGS categories weighted by the relative cost of serving participants in those categories multiplied by a set cost per acuity point.

Supports Coordination Amount

Step 1: Determine Member Months by:

- Special Rehabilitation
- Extensive Special Care
- Special Care
- Clinically Complex
- Cognitive Impairment
- Behavioral Problems
- Physical Function

Supports Coordination Amount

Step 2: Multiply the member months in each RUGS category by the relative cost of services provided to each RUG category to determine the total number of "acuity points" for the agency.

$$\sum(MM_{RUGS} \times Weight_{RUGS})$$

Supports Coordination Amount

Step 2:

Example

	MMs	Weight	Acuity Points
Special Rehabilitation	400	1.43	572
Extensive Special Care	75	3.53	265
Special Care	400	2.22	888
Clinically Complex	1,000	1.12	1,120
Cognitive Impairment	600	1.25	750
Behavioral Problems	25	1.04	26
Physical Function	2,500	1.25	3,125
Total Member Months	5,000		
Acuity Points			6,746

Supports Coordination Amount

Step 3: Multiply the total number of acuity points by the Acuity Point Value.

The Acuity Point Value is the total dollar amount distributed for Supports Coordination divided by the total number of acuity points.

Supports Coordination Amount

Step 3: Example

	Total MDCH SCORE Allocation	$30,000,000
−	Total Statewide Operations Amount	$3,000,000
=	Total Supports Coordination Amount	$27,000,000
÷	Total Statewide Acuity Points	125,000
=	Acuity Point Value	$216
×	Agency Acuity Points	6,746
=	Initial Agency SC Amount	$1,457,136

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Supports Coordination Adjustments

The initial Supports Coordination Amount is adjusted for three performance factors:

- Quality
- Services
- Nursing Facility Transitions

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Quality Adjustment Factor

Tier	2007 Overall Compliance Score	Adjustment Factor
1	3.97 – 4.0	1.02
2	3.75 – 3.96	0.99
3	3.03 – 3.95	0.97
4	0 – 3.02	0.96

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Service Adjustment Factor

Tier	Annual $ Services per Enrollment	Adjustment Factor
1	Over $11,022	1.02
2	$9,960 - $11,022	1.01
3	$9,335 - $9,959	.99
4	$0 - $9,334	.95

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NFT Adjustment Factor

Tier	% of 2008 NFTs to Avg Mnth Enroll	Adjustment Factor
1	Over 7%	1.05
2	4% - 7%	1.03
3	3% - 4%	0.99
4	0% - 3%	0.97

Beta Coefficients

- The Beta Coefficients serve to:

  - Balance the relative weight of the adjustment factors against each other

  - Calibrate the model to avoid outliers

Beta Coefficients

Coefficient	Performance Factor	Amount
α	Quality	1.021
β	Services	1.000
γ	NFT	1.016

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Final Equation

- MI Choice SCORE =

$(TIF \times \$40{,}000) +$

$((\Sigma(MM_{RUGS} \times Weight_{RUGS}) \times \$APV) \times Avg(\alpha(QF) + \beta(SF) + \gamma(NF))$

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Issues

- Paradigm shift
- Sensitivity to agency changes vs. stability of reimbursement
- Agency planning
- Timing
- Other

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